

**Workers' Compensation Advisory Board
October 30, 2007 Meeting Minutes
Illinois Workers' Compensation Commission, Springfield**

Those present at the meeting were:

Dennis R. Ruth, Chairman of the Commission
Michael Carrigan, Illinois AFL-CIO
Mark Flannery, Caterpillar, Inc.
Elwood Flowers, Amalgamated Transit Union, Local 308
Phil Gruber, International Assoc. of Machinists and Aerospace Workers
Dave Menchetti, Cullen, Haskins, Nicholson, & Menchetti
Dave Vite, Illinois Retail Merchants Association

Members Attending Via Conference Call

Frank Cavarretta United Steelworkers of America
Kim Maisch, National Federation of Independent Business

Also Present

Jannis Eisbart, IWCC Insurance Compliance Manager
James Jordan, Illinois Division of Insurance
Amy Masters, Secretary of the Commission
Ron Palmer, Illinois Division of Insurance

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Chairman Ruth called the meeting to order at 1:35 p.m.

Chairman Ruth first introduced and welcomed newly appointed member, Phil Gruber, who is with the International Association of Machinists and Aerospace Workers.

Upon motion duly made, seconded and unanimously carried, the minutes of the Commission held on July 11, 2007, were approved.

The Chairman next welcomed James Jordan and Ronald Palmer from the Division of Insurance, who provided an overview of the 2007 Workers' Compensation Fraud Unit Annual Report. The chairman also noted that materials were distributed to members

Mr. Jordan provided a brief history of the Fraud Unit. Mr. Palmer briefed the board about recent staff additions, including four new investigators who were hired in the Chicago and downstate areas. He also distributed and discussed data (attached) from 2006 and 2007 from the Fraud Unit regarding statistics of fraud reports, previous and ongoing investigations, referrals for prosecution, types of cases, and potential dollar amounts involved. He also answered questions from the board regarding details of investigations.

Jan Eisbart, Manager of the Insurance Compliance Division, provided an update regarding insurance compliance issues. She noted that the fund originated with a balance of only \$130,000 and the division has since collected over \$1.8 million. She added that she anticipates collecting over \$2 million by the end of the calendar year. Additionally, as a result of the Insurance Compliance Division intervention, over 1,000 employees now are covered with workers' compensation insurance.

Ms. Eisbart indicated six cases with final decisions qualified for payment by the Injured Workers' Benefit Fund (IWBF) during the past fiscal year, totaling approximately \$250,000 in unpaid benefits. Due to excess funds, all petitioners will be paid in full.

The board discussed related insurance compliance issues including the itemization of medical costs for IWBF claims; potential risk of having the fund swept, which the Chairman indicated he did not believe that would happen; the hiring of new investigators downstate; impact of work-stop orders; and procedures for obtaining benefits from the fund.

Chairman Ruth next spoke about recent changes at the Commission, including the appointment of Commissioners Mason and Lamborn. He noted the Commissioner panels should be caught up with cases by the end of the fiscal year. He also provided an update on the medical fee schedule, indicating new schedules and related rules would be presented for JCAR for approval by the end of the calendar year which include hospital outpatient, ambulatory surgical treatment centers (ASCTs), and rehabilitation institutions. He also noted that our current system of codes used for the medical fee schedule (and also used by providers across the nation), referred to as DRG codes, have been changed due to recent Medicare requirements, which will require the Commission to adapt to the new code system as well.

Next, Amy Masters, Secretary of the Commission and Operations Manager, distributed a handout and presented an overview of recent Operations developments and new system implementations over the past year. New system implementations include: new procedures to remove cases with contracts and dismissals from the call quicker; a new database system to process arbitration and commission decisions and orders in a timelier manner; new certified mail and presort systems in the mailroom; and a new file tracking system used throughout the Commission to better track files. All of these new systems should allow for greater efficiency, improved organization, and reduced costs on an internal basis, and most importantly, improved services to the employers and injured employees served by the Commission.

Mark Flannery distributed a proposed 19(b) form for use by employers and asked everyone to review and submit comments.

The Chairman also noted that he anticipates hiring a new legislative liaison in the near future. Once hired, he will designate this person to coordinate the rules revision process,

and work with and solicit input from representatives of both business and labor on this project.

The date of the next board meeting was discussed, and it was decided that the meeting should be rescheduled after February, to be determined at a later date.

Upon motion, the Advisory Board meeting was adjourned at 2:50 p.m.